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Just A Matter of Time

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The BP oil spill is one of the



Two men prepare to net an oiled pelican in Barataria Bay, LA, Saturday, June 5, 2010
Photo courtesy of FEMA

most important events of our day. Environmental experts consider the threat unprecedented, and even if the Draconian predictions for the death of flora and fauna have been overstated BP's pollution will still qualify as a "worst case."

The spill also challenges our ideas about organization, technology, intelligence, and learning. More, it is a lesson in humility, for hubris beckoned that oil from below the ocean floor. All the organizations involved in deepwater drilling, corporations and regulators alike, acted as if they controlled everything necessary to keep the Gulf safe. They assumed they could push the technology to the edge of performance and all would be well, so to speak. They assumed their social organization on the Deepwater Horizon itself was sufficiently effective that it would not break under intense production pressures. Simply, they assumed they knew what they were doing. None of those things turned out to be so.

What about learning? From early on commentators intoned about "lessons learned." This happens after every big accident or disaster. President Obama's oil spill commission will write about lessons learned, as will the National Academy of Sciences study. That's fine; they'd be remiss not to. But the truth is that many of the lessons were already known, but were ignored.

I want to consider a different kind of learning. I propose that BP learned *very well* from history and that this learning led it, and its operatives, to the reasonable conclusion that the risks it created a mile below the Gulf's surface were *acceptable*.

Consider the idea that the disaster was a "low probability/high consequence" event. From the outside looking in, BP's accident qualifies. The "high consequence" part is obvious. It was "low probability" because big blowouts are rare, so the event caught us all by surprise.

From the "inside," though, it's possible the disaster probabilities didn't matter much.

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Perhaps there were good reasons to think the risk was worth taking. Maybe it was an “acceptable risk,” as we call it. If so, a large, uncontrollable blowout was *just a matter of time*.

How could this be?

The notion that an event is “low probability” entails an inability to foresee that event. “*That came out of the blue*,” we say, meaning no precedent or sign was available to warn us. But in this case there was precedent. Big oil spill events aren’t frequent but frequency isn’t required for there to be meaningful precedent. There was the 1989 Exxon Valdez oil spill, EVOS, in which 11 million gallons of oil was dumped into Alaskan waters after Exxon ran a huge ship onto a well-known rock on a crystal clear night. This was a defining event for the oil industry and provided many lessons. Ten years before EVOS, in 1979, the Ixtoc well blew out in the Gulf of Mexico. It was a bellwether. In that case, there was a problem drilling into soft material, resulting in a “kick” of gas and oil back through the well pipe. The blowout preventer failed, so the escaping oil and gas exploded after rising to surface. The oil platform caught fire and sank. No one died, but oil pumped into the Gulf for 10 months. Ixtoc was a near-perfect prototype for BP’s accident.

These events were particularly dramatic at the time. Too, they were directly relevant to oil industry operations. A considerable body of scholarship says drama and relevance are precisely the properties that lead people to focus on some events rather than others. Scholars say the “availability heuristic” leads people to concentrate on things (events, hazards, experiences, ideas) that are readily available to memory, even to the point of over-estimating their importance. I expect the availability heuristic led BP’s executives and risk managers to learn important lessons from EVOS and Ixtoc. One lesson was that the Gulf can be polluted with impunity. Very little happened to Pemex, the Mexican state-run company that owned Ixtoc. Compared to Pemex, BP will face more trouble. But mistaken lessons are lessons nonetheless. From EVOS I expect BP will learn to fight the lawsuits. The initial judgment for damages against Exxon was \$5 billion USD, eventually reduced by the US Supreme Court to \$500M USD. Fear-of-lawsuit is a chronic illness in American society; it is acute in corporations. BP’s attorneys would have to be extraordinarily incompetent not to notice what Exxon accomplished in court.

In 2005 one of BP’s refineries exploded in Texas City, TX, killing 15 and injuring nearly 200. BP bought the plant from Amoco in 1998 and regularly pushed the safety envelope by cutting maintenance budgets and personnel. At the Texas plant, as on the Deepwater Horizon, an important alarm had been disabled and people were concentrated close to the source of the danger, in a trailer, which was against BP’s own safety procedures, just when an especially dangerous startup procedure was undertaken. BP chose not to install a standard safety system, a “flare” to burn off extra gas. Employees repeatedly warned managers of the danger. Soon after the accident BP issued a public statement that said “BP accepts responsibility for the explosion and fire at the Texas City refinery. We are deeply sorry for what occurred and for the suffering caused by our mistakes.” Later BP blamed “operator error,” the typical attribution after accidents, and fired 6 workers, failing to blame “management error” for anything. BP hasn’t yet blamed the operators in the Deepwater case but everything else in this paragraph was repeated in the Gulf.

The Texas City disaster was not a bolt from the blue. It probably wasn’t even a bolt from the grey. And the organizational lesson drawn from it would be fairly obvious: the legal and political-economic system is arranged so that powerful organizations, and the people who command them, can get away with manslaughter. It is true that BP’s CEO was forced into retirement soon after the disaster (succeeded by Tony Hayward), but, again, learning a lesson doesn’t necessarily mean learning the *right* lesson.

A final set of lessons would come from the oil industry’s history with regulators. BP has been criticized because its spill contingency plan wasn’t realistic. It was a “fantasy document,” which is a plan disconnected from expertise and history. BP’s plan would have been useless in *any* size oil spill. But why did the company think it would be acceptable to say it would protect sea-lions and walruses, have a web-link to a dead expert, and claim the platform was too far at sea for any accidentally released oil to find its way to shore (as if the shore were the only thing that mattered)? Because the Minerals Management Service, and its parent the Department of Interior, allowed it to. The MMS, since rebranded and its head ceremoniously severed by President Obama, and DOI, are chiefly in the business of making the oil industry work. BP knew that. So did the other major oil companies. The Gulf spill response plans for BP, Chevron, ConocoPhillips, Exxon, and Shell were all written by the same outside contractor.

Perhaps BP’s spill will be the industry’s Three Mile Island. After TMI, meaningful regulatory requirements were instituted and local communities were given some tools they could use

to protect themselves against the power of large organizations (including the Department of Energy). Or perhaps it will be the industry's Bhopal, where corporate power led to interminable suffering of the poor and the poorly organized. The historical record suggests Bhopal's lessons will shine brighter than TMI's, for the oil industry.

I can predict one thing confidently: there *will* be another large industrial accident, driven by production pressure and facilitated by lax regulation. It's just a matter of time.

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